

RD AN No. 3566 (4279-B)  
September 1, 2000

SUBJECT: Business and Industry Guaranteed/Direct Loan Programs  
Multistate Business Activities

TO: State Directors, Rural Development

ATTN: Business Programs Directors

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to clarify and provide guidance in determining the responsibility for processing a loan application when the applicant operates or the project is located in multiple States.

COMPARISON WITH PREVIOUS AN:

This AN replaces RD AN No. 3479 (4279-B), "Multistate Business Activities," dated August 23, 1999.

IMPLEMENTATION RESPONSIBILITIES:

The Business and Industry (B&I) Guaranteed and Direct Loan Programs are administered by the Administrator through a State Director servicing each State; the State Director is the focal point for the program and the local contact person for processing and servicing activities. Under normal circumstances, the State Director of the State in which the proposed project is located and in which all proposed loan funds are to be utilized has the authority to process the loan request.

EXPIRATION DATE:  
September 30, 2001

FILING INSTRUCTIONS:  
Preceding RD Instructions 4279-B  
and 1980-E

In the event the loan proposal includes the funding of multiple project sites, the following authorities are applicable:

1. For loan proposals where the multiple project sites are all located in a single State, the State Director assigned to that State has the authority to process the B&I loan request.
2. For loan proposals where the project sites designated for funding are located in more than one State, the State Directors where the project sites are located and where the loan proceeds are to be funded for fixed asset acquisitions have the authority to process a B&I loan for those funds which are intended to be utilized in their respective States. An example is where a business located in State A proposes expansion into States B and C, States B and C will process separate loans for the new facilities to be located in each respective State. The funding allocations for States B and C would be reduced accordingly. If the business located in State A is a currently indebted B&I borrower requesting a subsequent loan for business expansion into States B and C, the same rule would apply.
3. For loan proposals where funds are to be used exclusively for working capital or debt refinancing in more than one State, the State Director where the applicant's headquarters is located has the authority to process the B&I loan request and to service the loan.

In situations which do not meet the guidelines of this AN and in situations where implementation of the guidelines set forth in this AN would result in an adverse effect to the Government, the National Office will be notified of the facts in writing by the appropriate State Director. The written memorandum must be supported with documentation to support proposed or alternative courses of action.

Exceptions may be granted and delegation of authority provided to a State Director by the Administrator, or on a case-by-case basis, to process B&I loans with multistate funding proposals when it is determined that such an action would be in the best interest of the Government.

In every case, the State Office processing the request will have its loan allocation reduced by the amount required to fund the project.

*(Signed by Wilbur T. Peer)*

WILBUR T. PEER  
Acting Administrator  
Rural Business-Cooperative Service